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UNCLAS SECTION 01 OF 03 ASHGABAT 001075

SENSITIVE
SIPDIS

STATE FOR SCA/CEN, EEB
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E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [ELAB](#) [EPET](#) [CH](#) [JO](#) [TX](#)
SUBJECT: TURKMENISTAN: CABINET MEETING FOCUSES ON STATE
VISITS, NEW PETROLEUM LAW AND PERSONNEL CHANGES

REF: A. ASHGABAT 1068
[1](#)B. ASHGABAT 1069
[1](#)C. ASHGABAT 1071
[1](#)D. ASHGABAT 1031

[1](#)1. (U) Sensitive but unclassified. Not for public Internet.

[1](#)2. (SBU) SUMMARY: In addition to announcing that Turkmenistan's People's Congress will meet on September 26 to review and approve the draft constitution and talk briefly about the situation of South Ossetia, President Berdimuhamedov used an August 15 extended cabinet meeting to comment on a draft petroleum law that he said he would pass on for parliamentary approval. Specifically, he briefly previewed a number of changes in the new law, including provisions bringing the law into conformity with international standards and clarifying the status of the State Agency for Management and Use of Hydrocarbon Resources. Deputy Premier for Foreign Affairs Meredov announced that King Abdullah II of Jordan and China's President Hu Jintao will visit Turkmenistan in August. In addition to banning child labor in the upcoming cotton harvest, the president also announced a number of personnel actions, including his decision to make Ashgabat Mayor Deryageldi Orazov Deputy Premier for Construction and to appoint First Deputy Chairman of the Turkmen Cotton state concern Hojamyrat Metekov as Minister of Textile Industry. Berdimuhamedov's comments on the law are probably directed toward relieving some of the concerns of potential investors. It will be interesting to see whether Turkmenistan's Parliament is able to approve the law before the September 9-10 joint oil and gas exhibit in Baku. END SUMMARY.

[1](#)3. (U) The August 15 extended cabinet meeting, held to review progress over the last seven months, was businesslike but long. Highlights included a brief discussion of the situation in South Ossetia and the announcement that Turkmenistan's People's Council (Halk Maslahaty) will meet

September 26 to consider the constitution (refs a, b). But there was also discussion of a number of "other item" issues:

-- Upcoming Visits: Stressing the success of Turkmenistan's efforts to engage with the international community, Vice Premier for Foreign Affairs Meredov announced that King Abdullah II of Jordan will visit in the second half of August, and China's President Hu Jintao will make a state visit to Turkmenistan in late August. Turkmenistan will also host a regular session of the bilateral Turkmenistan-Russia Commission.

-- Pipeline Security Resolution: Noting that Turkmenistan's proposal for a pipeline security resolution has broad support among countries with hydrocarbon pipelines and hydrocarbon transit countries, Berdimuhamedov ordered Meredov to propose a draft resolution to the UN Secretariat (ref a).

-- Child Labor in Cotton Harvest: Noting that Turkmenistan's children must study, he instructed Minister of Education Annaamanov not to allow child labor during the cotton harvest, and warned Ministry officials that they will face legal action if they allow any disruption of classes.

(COMMENT: Although the embassy found no evidence last year of school classes being involved in the cotton harvest, we heard reports that teachers were required to work in the fields before and after school and on weekends. It will be interesting to see how local officials and the Ministry interpret the president's prohibition this year. END COMMENT.)

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PREPARATIONS FOR THE COMING SCHOOL YEAR

¶4. (U) Deputy Premier for Education and Health Hydyr Saparliyev reported that preparations for the coming school year are progressing. Of the 124 planned new textbooks, 112 have been completed and sent for publishing. A total of 24 schools were hooked up to the Internet in the first seven months of 2008, taking the number of schools with access to the Internet to 44. Some 4000 students have been admitted to Turkmenistan's institutions of higher learning this year, and hundreds more will study at universities abroad (ref c). In addition, 80 graduate students will study in 57 areas of specialization.

NEW PETROLEUM LAW PASSED TO PRESIDENT

¶5. (U) Deputy Premier for Oil and Gas Tachberdi Tagiyev reported that the new draft petroleum law has been passed to the president for approval. Berdimuhamedov reported that the new law will incorporate a number of changes to the old law, including:

-- The new law reflects both Turkmenistan's prerogative to implement this law, but the law must also reflect the international treaties and conventions to which the country is a signatory.

-- The legal and economic status of the State Agency for Management and Use of Hydrocarbon Resources has been defined. Under the new law, the State Agency is an independent legal entity and will be authorized to submit claims or respond to plaintiff's claims, and own property and use the assets given by the state for use or management of that property.

-- The status of subcontractors and their counteragents, including tax and customs regimes and currency regulations for their operations are clearly defined.

-- The new law offers the possibility of extending production licenses based on the commercial feasibility of the project.

-- The profit tax rate remains unchanged throughout the implementation period of the project.

-- The new draft law clarifies fiscal and tax regimes and legal conditions for hydrocarbon operations.

-- The law increases environmental requirements.

The president stated that he would submit the new law for parliamentary approval.

PERSONNEL ACTIONS: 3 PROMOTIONS, 1 FIRING, 1 REPRIMAND

16. (SBU) As frequently happens during these monthly review sessions, there was a greater-than-usual number of notable personnel actions. Specifically, the president:

-- Appointed Ashgabat Mayor Deryageldi Orazov as Deputy Premier for Construction (bio below). Previously, Deputy Premier Shagulyev had covered this portfolio, as well as the areas of transportation and communications.

-- Promoted First Deputy Chairman of the "Turkmen Cotton" ("TurkmenPagta") state concern Hojamyrat Metekov to the position of Minister of Textile Industry (bio below). The former minister, Jemal Goklenova, resigned for "health reasons" several weeks ago, though there remain rumors that she may have been forced to resign for wrongdoing (ref d).

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-- Assigned First Deputy Mayor of Ashgabat Azat Bilishov to replace Orazov as Mayor of Ashgabat.

-- Fired Jeren Tayimova as Editor-in-Chief of the Russian-language state newspaper, Neutralniy Turkmenistan. Tayimova was replaced by Bekdurdy Amansaryev.

-- Reprimanded Minister of Culture and Broadcasting Gulmurat Muradov for loose control of his Ministry's work.

17. COMMENT: The draft petroleum law has yet to see the light of day. None of our contacts in foreign oil companies has reported that they have been able to review the law, and there remains substantial speculation about what exactly is in the law. Berdimuhamedov's comments on the law are probably directed toward relieving some of the concerns of potential investors. It will be interesting to see whether Turkmenistan's Parliament is able to approve the law before the September 9-10 joint oil and gas exhibition in Baku. END COMMENT.

BIO FOR DERYAGELDI ORAZOV

18. (SBU) Orazov was born in 1962 in Ashgabat. He graduated from Turkmenistan's Institute of National Economy in 1983 with a major in accounting and economy. He received a second degree in law from Turkmen State University in 1996. From 1983 to 1985, Orazov served as Chief Auditor at the Ministry of Healthcare. Between 1985-1999, he held a number of positions, including: Head of Ahal Province's division of the State Committee on Tourism and Sport, head of Ahal Province's Law Enforcement and Military Department, head of Ahal Province's Division of the Garashsyzlyk Bank, deputy head of Ahal Province's division of Dayhan Bank and head of the Auditing Department at the Ministry of Healthcare. From 2004-February 21, 2007, he served as the head of Ashgabat City's Kopetdag District, then became Chairman of the State Committee on Tourism and Sports. He became Mayor of Ashgabat City on May 21, 2007.

BIO FOR HOJAMYRAT METEKOV

19. (SBU) Metekov was born in 1963 in Kirov Village in Kahka District, Ahal Province. He graduated from Turkmen Agricultural University in 1991 with a degree in agricultural accounting and economy. From 1981-1984, he served as an accountant at Kahka District's "Kolkhoz Uchguny" newspaper.

From 1984-1989, he served as a chief specialist on labor organization and salary at Kahka District's Agro-Industrial Enterprise and as an economist in Kahka District's agricultural department. From 1989-1992, he worked as the deputy chief of Kahka District's Agricultural Production Enterprise. From 1992-2001, he held a number of positions, including head of Kahka District's division of the Ashgabat customs service, deputy director and director of Kahka District's cotton ginning enterprise. From 2001 to April 21, 2007, he held various positions at the Turkmen Cotton ("TurkmenPagta") state concern, then was promoted on April 21, 2007 to the position of First Deputy Chairman of the Turkmen Cotton state concern.

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